

Economic Outlook and Revenue Assessment Committee

Dave Hill

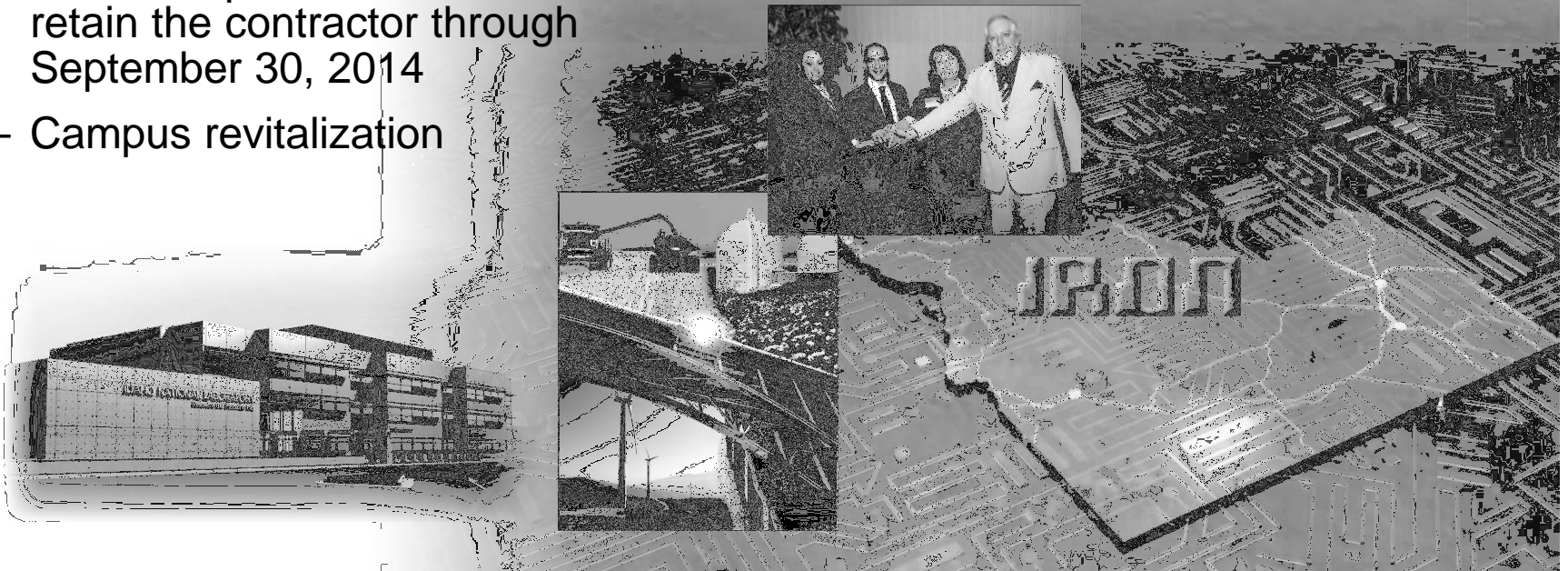
Deputy Laboratory Director, Science and Technology

January 8, 2009

2008 in Review

■ Major Events of 2008

- AREVA siting
- CAES Opening
- Buried Waste Agreement
- Idaho Regional Optical Network (IRON)
- DOE recently concluded a special assessment of Battelle Energy Alliance's performance and decided to retain the contractor through September 30, 2014
- Campus revitalization



Outlook for 2009

■ Current budget situation

- Both continuing resolution and a new administration create uncertainty
- No clear understanding of when FY-2009 budget will be passed
- Focus on job creation in administration transition

Best Estimate is that FY-2009
will be similar to FY-2008

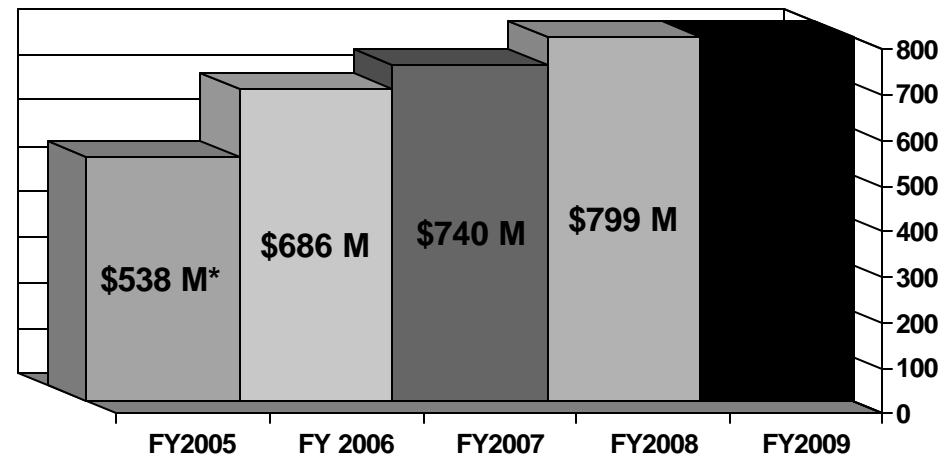


GLOBAL
NUCLEAR ENERGY PARTNERSHIP

INL's Economic Impact — 2008

■ FY-2008 Business Volume of \$799M

- 8% growth from FY-2007, 49% since 2005 with an expanded customer base
 - Growth for FY-2009 is projected to be flat
- FY-2008 Payroll of \$309M



*8 Months
** Projected

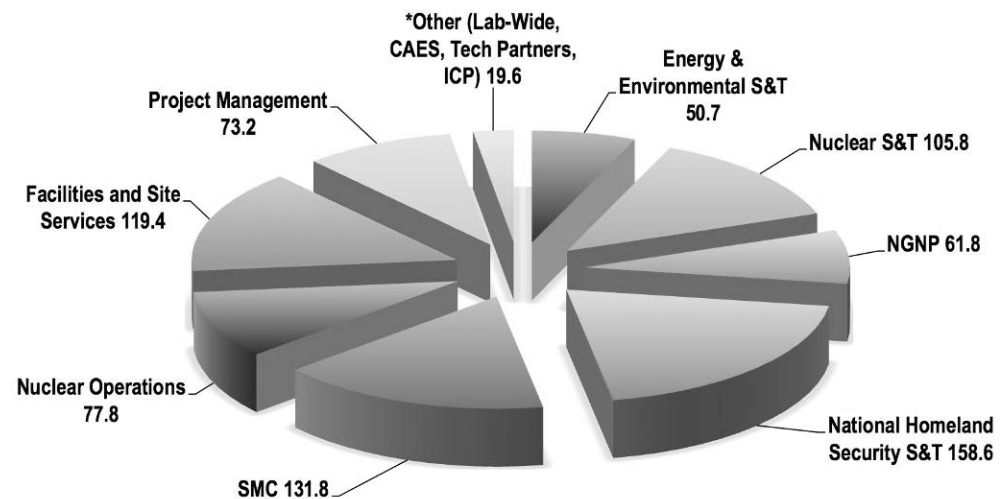
■ Procurement

- INL purchased more than \$122M worth of goods & services from **Idaho** large and small businesses in FY-2008

■ Employment

- INL is Eastern Idaho's largest employer
 - 2005 - 3300 employees
 - 2006 - 3500 employees
 - 2007 - 3830 employees
 - 2008 - 3990 employees

Business Volume by Business Division FY08 (\$799 M)

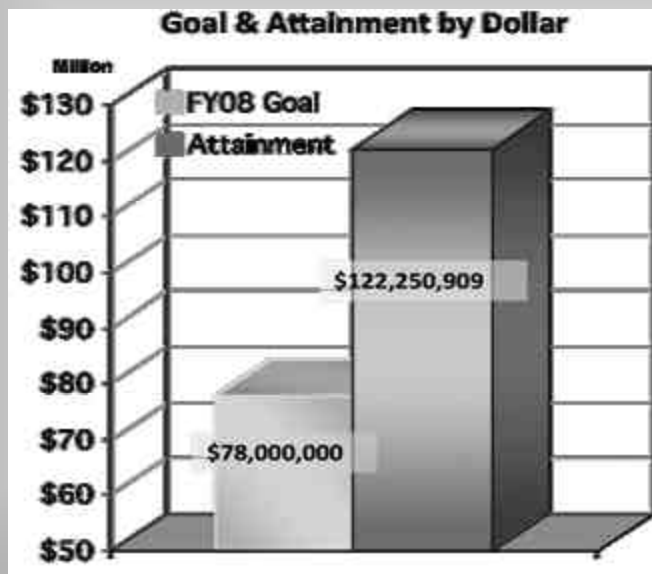


INL's Economic Impact—Small Business 2008

*FY08 Total Goal Estimated Procurement
Volume - \$260,000,000*

*Actual Total Procurement Volume through
09/30/08 - \$299,965,930*

Idaho Business Concerns Goal & Attainment
Fiscal Year 2008



Socioeconomic Goals

Small Business Category	INL FY08 Goals	INL FY08 Attainment
Small Disadvantage Business	\$13,000,000	\$22,801,387
8(a) Special Certification	\$5,200,000	\$18,388,103
HUBZone Small Business	\$7,800,000	\$6,539,370
Women-Owned Small Business	\$13,000,000	\$20,703,289
Veteran-Owned Small Business	\$5,200,000	\$17,812,097
Service-Disabled Veteran-Owned Small Business	\$7,800,000	\$8,861,330
Native American Small Business	\$2,600,000	\$13,540,668

INL Continues to Deliver Value to the Community and State

Community Outreach

- INL's contractor and employees donated more than \$1.25 million to community programs in 2008
- More than \$3 million since BEA took over the INL contract in 2005
 - BEA has provided corporate funding for educational, philanthropic and technology-based economic development programs

*BEA Contributed ~\$706,000
to our Local Community in FY-2008*



INL Employees Contribute
\$304,170
to the local United Way

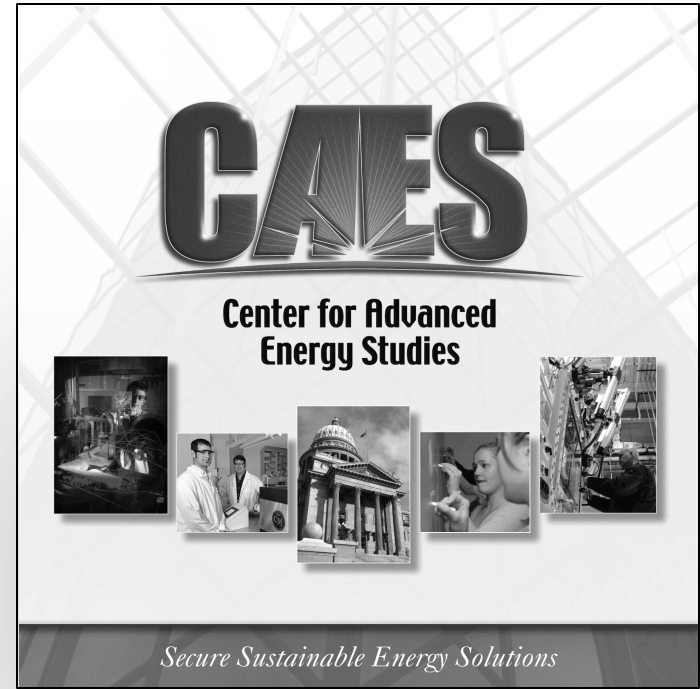
- Team INL continues to make a difference in our local communities

- 27 new projects in 2008 (~1600 volunteer hours)
- For the past two years, Team INL has organized and conducted a site-wide canned food drive for the Idaho Falls Community Food Bank. This year 7000 pounds of food and \$2300 in financial donations were collected

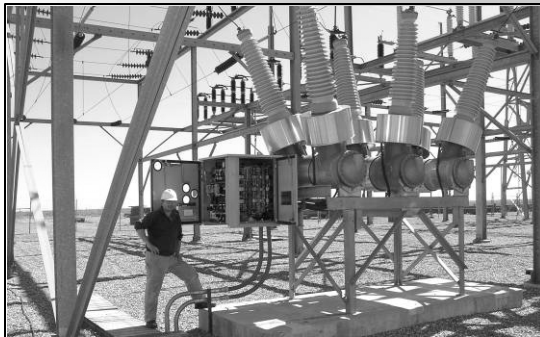
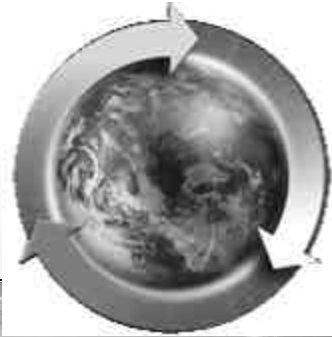


CAES is Focused on a Clear Demonstrable Return on Investment

- **Leverage state funds with direct research programs and INL joint appointments such that only 50-60% of salary is paid for by State funding**
 - Half-cost faculty for Idaho's Universities
 - Dramatic increase in Idaho students in Engineering/Science Energy fields (e.g. Nuclear has grown from 5 to 125 students in 3 years)
- **Enable new faculty to build competitive research programs averaging \$250K annually per faculty member**
- **Return on Investment to date**
 - \$4.8M thus far this year
 - Expect to exceed \$6M by year end



Opportunities and Risks for 2009 and Beyond



■ Opportunities:

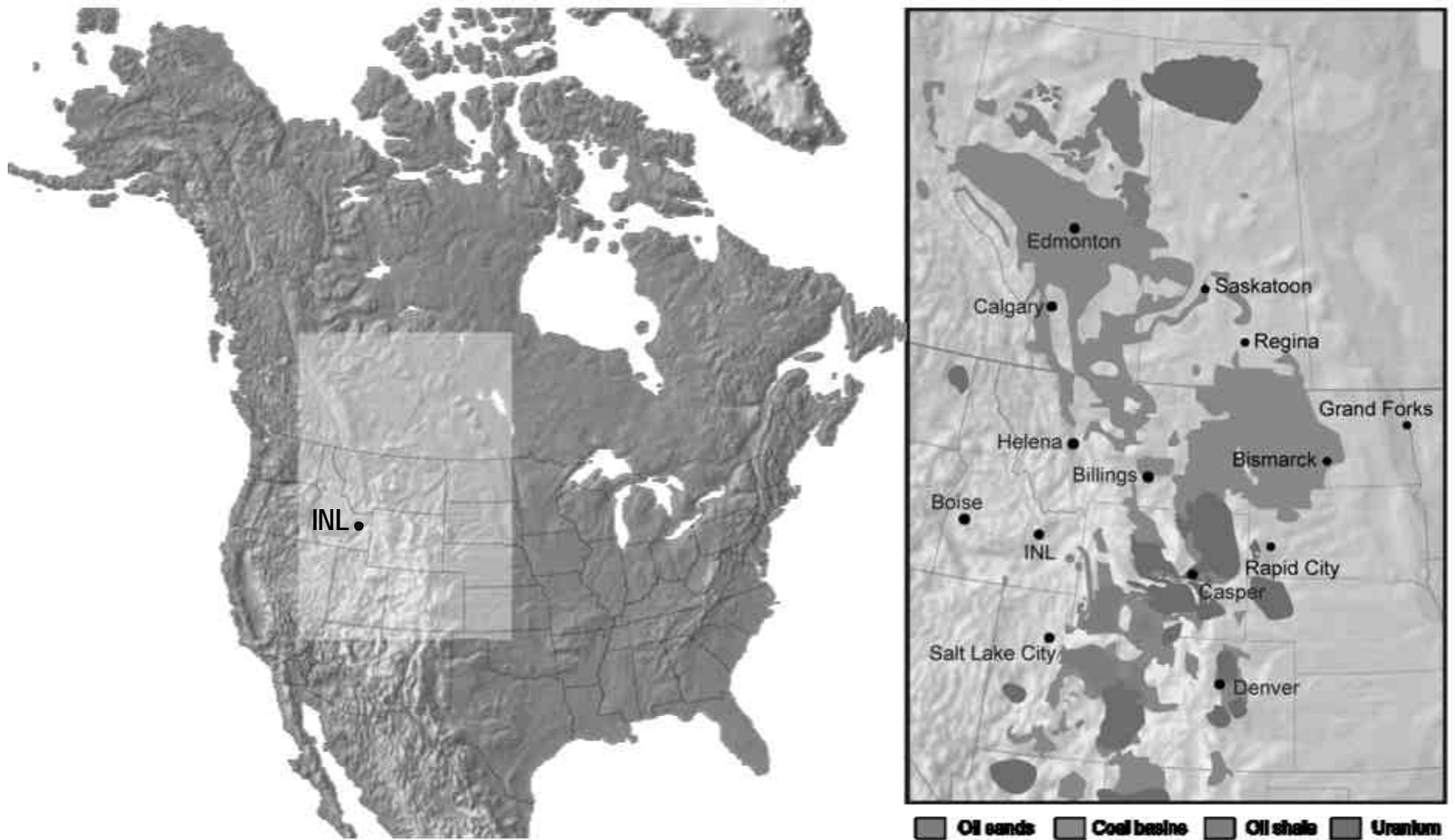
- Global Nuclear Energy Partnership (GNEP)
 - Next Generation Nuclear Plant (NGNP)
 - National and Homeland Security has seen tremendous growth over the last couple years
 - Energy and Environmental work that is important to our State and Region
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■ Risks:

- Future appropriations
- Competition
- Administration change and reduction in investment in Nuclear Energy R&D

There remain uncertainties with the projected growth in funding and our role in the major programs

Regional Energy Resources

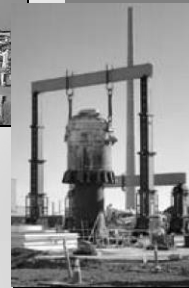


Idaho Cleanup Project

Idaho
Cleanup
Project

■ Cleanup focuses on 5 major facilities

- Idaho Nuclear Technology and Engineering Center (**INTEC**)
- Radioactive Waste Management Complex (**RWMC**)
- Test Area North (**TAN**)
- Reactor Technology Complex (**RTC**)
- Power Burst Facility (**PBF**)



Mission

The Idaho Cleanup Project involves the safe, environmental cleanup of the Idaho National Laboratory site



Safety-First Culture



Advanced Mixed Waste Treatment Project

Mission—*AMWTP is committed to safely and compliantly retrieve, characterize, process and package 65,000 cubic meters of transuranic nuclear waste and mixed low level waste for shipment to permanent disposal sites outside of Idaho*

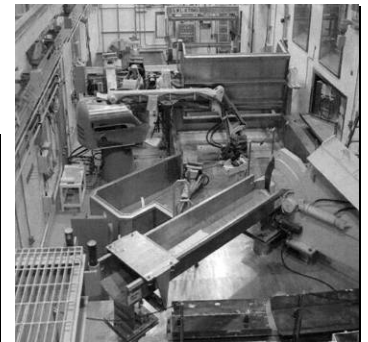
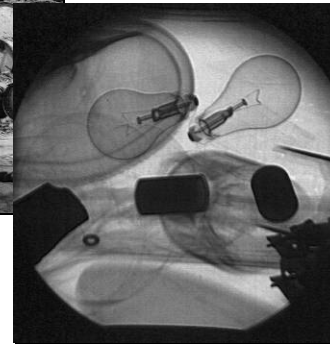
Waste Storage & Retrieval

Characterization

Treatment Facility

Supercompactor

Loading & Shipping



Performing Safe, Compliant Operations

Idaho National Laboratory Vision



Research - Development - Demonstration - Deployment